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GUS - 0176 ✓
Copy 1 of 8

12 March 1959

MEMORANDUM FOR THE RECORD

SUBJECT: GUSTO Facilities

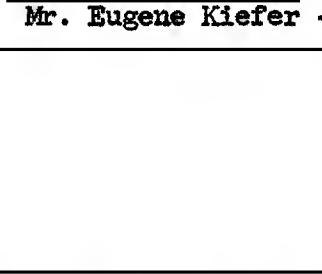
1. A meeting was held in DPD-DD/P Headquarters on 10 March 1959 on subject matter. The following were in attendance:

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Convair
- Convair
Convair

25X1



Mr. Eugene Kiefer - Technical Analysis, DPD-DD/P
(For first part of meeting only)
Contracts, DPD-DD/P
- Contracts, DPD-DD/P
- Materiel, DPD-DD/P
- Materiel, DPD-DD/P
Security, DPD-DD/P
R & D, DPD-DD/P

2. A review of the facilities required, as opposed to those possibly available, indicated the following general status:

a. Assuming an affirmative decision in favor of Convair, the construction of a separate building adjacent to present Convair facilities in Ft. Worth, on Air Force property, still appears to be the most desirable solution -- considering security, adequacy of facilities to do the job, proximity to flight test facilities, etc.

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b. [redacted] promised to again review the possibility of making some 100,000 sq.ft. of space available either (1) in the experimental hangar or (2) in the main plant. The availability of this amount of space in either of these two areas appears highly doubtful at this time. A report will be forthcoming to us on the results of this survey o/a 24 March.

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c. The problem of using the building in the AEC area is the same as before. First, the AE powered airplane program is still indefinite. Secondly, some 50,000 sq.ft. of expansion would have to be made even if it were determined that we could use this building for the next several years.

d. There appears to be no other building in the Ft. Worth area which is both large enough and available. The Rowan building presently being based by Convair is being fully utilized for other purposes. We understand that the lease rate is such as to completely amortize the building to the owner in a period of five years.

e. There appears to be unacceptable difficulties in utilizing Convair, San Diego facilities to pursue the production phases of the GUSTO program.

3. Assuming that there is a strong possibility that the GUSTO program will be given a go-ahead on or about mid-May, and that a building will be needed about 1 September 1959 so as not to delay the program, the following facts are set forth:

a. A & E work for the new building will take about 6 weeks time minimum. Construction of the actual building will take about 3 to 4 plus months (depending on premium construction rate authorized). Convair estimates, assuming a go-ahead, on or about mid-May, that they will be hurting for space about mid-August, or that delays will result if the building is not available by mid-August.

b. Counting back from mid-August it is evident that the A & E work should begin immediately, or at least no later than 1 April 1959.

c. A & E work necessary to prepare for construction is estimated at [redacted]. If begun 1 April it could hopefully be completed by mid-May.

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d. Estimated cost of construction of the actual building is [redacted] complete, depending on final size of the building, construction rate authorized (premium vs. normal) and similar problems. Present planning visualizes some 108,000 sq. ft. [redacted]

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per sq. ft. raw construction. Balance of cost would be utilities required, parking lots, furnishings, machine tools, etc. With expedited construction, the building, if begun 15 May, could possibly be finished 1 September. [redacted] does not believe it can be constructed in less than 3 1/2 months and has some doubt that it can be done in less than 4 months.

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4. It appears Convair does not propose to build the building at their own expense unless (1) they can get a five year tax write-off, in which case they would own the building at the end of 5 years, or, (2) amortize it against the contract over 5 years, as a contract cost, in which case the Government would own the building in 5 years. They recommend the latter case. The Convair participants in the meeting did not have the authority to commit Convair to build a building at Convair expense and amortize it over a longer period of time. In any event, Convair's position now seems to be that the Government build the building and they wish to be assured that in the event of any cancellation Convair will be held harmless from assuming any costs with respect to A & E or construction.

5. The problem of a lease of Air Force property to Convair no longer exists if the Government builds a building. However, information in this area is actively being pursued by Materiel. Also, [redacted] is planning to again visit Convair to consult on the A & E problem with the Convair people.

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6. Security plans to visit Convair soon to again review possibilities of space and to look over the Convair facility as a test base.

7. The main decision needed at this time is in connection with authorizing beginning of the A & E. [redacted]

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Chief, Research & Development Branch
DPD-DD/P

- 1 - DD/P /
- 2 - Materiel
- 3 - Security
- 4 - Contracts
- 5 - Admin
- 6 - Mr Kiefer
- 7 - R & D Subject
- 8 - R & D Chrono

[redacted] (12 Mar 1959)

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